



THE CITY OF SAN DIEGO

## FAQs #2 – FY 2014 CDBG Applications

QUESTIONS & ANSWERS FOR THE OCTOBER 26, 2012 – NOVEMBER 1, 2012 PERIOD

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**Q1: Agency XX is applying for CDBG funds to provide financial assistance to LMI households to become first-time homebuyers. Would these households have to reside within the City of San Diego to qualify for assistance? Would they be required to purchase homes exclusively within the City?** The answer to both questions is yes.

**Q2: Appendix E requires our agency to report all federal funds received between 2010 and 2012. Our agency is primarily funded by federal grants and we would have to report on over 20 awards. Do we have to report each grant or can we select a smaller number such as 5? Can you please provide the additional sheets?** Please go to the [FY 2014 CDBG Application](#) zip folder for an additional Appendix E form but limit your responses to reporting on 6 grants if your Agency has received over 6 federal grants within the FY 2010–FY 2012 period inclusive of those fiscal years. We decided to cap the number of federal grants to report on in response to several similar inquiries. It is your choice which 6 you pick but do include any CDBG projects funded by the City (FY 2010–2012). For any additional Appendix E forms used, make sure to include these extra forms in your submittal package. For any other federal grants that may not use the outcome measurement system (Qs 8–10 in the form), provide answers in terms of major tasks set out to be accomplished and project results/status to date.

**Q3: Agency XX is wondering about the fringe benefits, taxes and such that we should be using for our budget information in the application. As of today, we still don't know what will be actual rate for the social security taxes, Medicare and such during FY 2013 and onward. We probably won't know till after the Presidential election or later. Should we use current rates and if there are any changes will we be able to make any changes to the budget?** Please do use current rates. All agencies that are funded will have the ability to change rates if these are revised.

**Q4: For non-profit applicant agencies, what kind of information are you seeking under Q4.5 pertaining to the "Agency's auditing requirements"?** You should note whether your Agency conducts any internal and/or independent audits beyond the ones required per [OMB Circular A-133](#) (Audits of State, Local Governments, and Nonprofit Organizations) and specify whether audits are required per this OMB Circular.

**Q5: Question 4.7 asks “how does your agency plan to segregate CDBG funds from other agency funds for purposes of identification, tracking and reporting?” We don’t really understand this question since the CDBG funds are disbursed in re-imbursement basis. Please clarify.** Focus on how CDBG expenses are tracked relative to the whole of the project. Describe how CDBG expenses, invoices, reimbursement and payments are segregated, tracked, monitored and such in relation to: (1) Scope of work called out in the contract; and, (2) [OMB Circular A-110](#) (see subpart C, Financial & Program Management Post Award Requirements).

**Q6: If Agency XX is awarded funds, can internal staff act as the construction manager?** No, the construction manager task has to be competitively bid out.

**Q7: What is the difference between Appendix D (project tasks and schedule) and the “construction schedule” being asked for in the Application Checklist under Project-Specific Requirements for CIP Projects (3<sup>rd</sup> line item)?** Appendix D should identify the tasks in succession for the overall project schedule and should start on July 1, 2013 with “Execution of Agreement with the City” and end on December 31, 2014 with “project completion.” Appendix D should incorporate key tasks identified in the [PowerPoint presentation](#) (focused on the application) of the workshop—see slides 16 and 17. On the other hand, the “construction schedule” required per the checklist, should focus strictly on the construction phase of the project. Tasks should be listed in relation to specialized contractors and their scope of work or similar. The schedule should show the critical path of these tasks, their duration and start and end dates.

**Q8: Agency XX needs to amend some of the forms in Appendix C (add line items and such) but the forms are locked and do not allow it. How should we proceed?** Request the forms via e-mail and we will forward the unlocked versions of the spreadsheets.

**Q9: Is the three-month cash rule test the only information requested regarding cash availability in the application?** Correct. Do note that the audited financial statements and tax forms are reviewed for cash flow and indication of solvency.

**Q10: Are we required to post something related to Section 504 during or after our project?** If awarded funds, you will be required to post information about Section 504 for the duration of the CDBG Agreement. The CDBG Agreement will include the specific language to publicly post and will confirm the duration of time to post the information. Generally, the information will include a brief statement about Section 504 requirements and the contact information for the City of San Diego’s Section 504 Administrator (currently, the City’s Disability Services Coordinator).

**Q11: Are there any other pamphlets that need to be made available and for what period of time?** If awarded funds, you will be required to post the HUD Equal Housing Opportunity logo, the HUD-issued Fair Housing Pamphlet, the HUD-issued Equal Housing Opportunity Poster and the City-issued “Practice Fair Housing” brochure (currently in development). Additional information may be required upon request of the City (for example, information in additional languages, etc.)

**Q12: If your program is specifically designed to serve homeless women and children, is this discriminatory?** Generally speaking, the answer to this question is “no”. Designated populations, on the basis of disability or other protected classes, are permitted if necessary to provide qualified

individuals with housing, aid, benefits or services that are as effective as those provided to others. California Government Code Section 11139.3, for example, provides for protections against “age discrimination” claims for housing set-aside for homeless youth. Additionally, Goal 3 of the City’s Consolidated Plan for 2010-2014, is to provide shelter for persons who are homeless and assist them in moving out of homelessness.

**Q13: Can Agency XX review copies of successful applications from previous cycles?** Yes, as a courtesy, we are providing this opportunity but limit reviews to no longer than an hour, and copies will not be made. If you would like to request this service refer to the [list of previously funded projects](#) and to the [Action Plans](#) for a description of said projects. Let us know which applications you would like to see.

**Q14: Define ADA-compliant for multi-family housing projects (rehabilitation).** Applicable accessibility requirements depend on the scope of specific projects (new construction, addition, substantial vs. minor alterations). For details regarding requirements (these may not be all inclusive) refer to:

- [HUD Key Accessibility Requirements](#) webpage
- *California Building Code:* [Chapter 11A - Housing Accessibility](#)
- *Local Resources:*
  - *Development Services Department – [Accessibility Requirements Information](#)*

**Q15: How is conformance with Section 504 achieved for a multi-family rehabilitation project where no unit is currently accessible?** Section 504 requirements on a per-residential-unit basis will be based on whether the scope of work fits within the “substantial rehabilitation” definition per the statute [see 24 CFR 8.23(a)] or is deemed to consist of “other alterations” [see 24 CFR 8.23(b)]. Refer to 24 CFR 8, Subpart C for specific requirements under either instance.

**Q16: Is a 2-unit rehabilitation project subject to the Davis-Bacon provisions?** The applicability of certain Davis-Bacon labor standards vary depending on the scope and characteristics of projects. Refer to HUD’s [Factors of Labor Standards Applicability](#) for details. Refer to bullet point no. 4 under the first heading on the HUD website for the answer specific to this question.

**Q17: Can you confirm whether CIP projects which request less than \$100,000 in CDBG funds will not be considered this year?** Correct.

**Q18: Do the digital copies of documents required per directions in the [Handbook](#) (page 7) must be signed, where applicable?** Correct.

**Q19: If we are requesting funds for a CIP project, we do not need to fill in the information in the box identifying cost per client (page 1 of 18 in the Project Information section). Do we also omit that information in the Target Population section (page 4)?** Correct.

**Q20: Question regarding 3.5 of the application (page 6 of 18) “List the evaluation tools your agency plans to employ to track and monitor the progress of the project.” Does this pertain just to the tracking/monitoring of the capital project itself, or is it also asking for our methods to track the target population outcomes that will occur as a result of the capital improvements?** You will want to briefly cover both aspects of the project. Do note that we re-worded the question on 10/18/2012 as noted in

[our website](#) to read as follows ""How does your agency plan to ensure compliance with applicable policy and procedural requirements (including those listed in HUD's [Playing by the Rules Handbook](#))? Do keep in mind from a broad perspective that section 4 focuses on the management of the project from a fiscal/budgetary perspective while section 3 focuses on the management of the project as it pertains to record-keeping, monitoring, and related administrative/program requirements.

**Q21: Agency XX is submitting an application for a sizable multi-family rehabilitation. What "eligible activity" should we select in the Checklist, page 4?** Please select "Other Public Facilities/Improvements" and call out "X-RES" in the pertinent box. Make sure to complete and submit Appendix C-4 rather than C-5.

**Q22: Please direct me to the specific regulation that prohibits contractors involved in developing the project scope and/or specifications from bidding on the same project?** Refer to [24 CFR Part 84](#), specifically section 84.43.

**Q23: Is the contractor that provides the bid for the application (required under line item no. 2 of the CIP project-specific requirements on page 3 of the Application Checklist) barred from submitting a bid once the project is bid out for the actual construction (presuming the project is funded)?** No, that contractor may bid on the project at that time.

**Q24: If an Agency is submitting more than one application, may we submit a single set of certifications for both projects?** Yes, you may submit one single set of the certifications called for under the heading "Certifications and Other Documents" on the Checklist for both applications.

**Q25: Does question 1.12 apply to CED projects?** Yes.

**Q26: If the project is not shovel ready by July 1, 2013 but would be completed prior to December 31, 2014 is this project still eligible for funding?** Yes, provided the completion date can be achieved. An evaluation will be made by staff based on the information provided. If any questions regarding the project timeliness arise as part of this review, information will be requested from the applicant as part of the secondary review. The more complex a project is, the more readiness to construction it should demonstrate.

**Q27: How can we extend the answer space for the mission statement on the cover page of the application?** The subject space may not be extended as all of the information requested on the cover page must be contained within one page. You may consider elaborating on your mission statement in Appendix A – Project Narrative.

**Q28: What is your recommendation for loading the information into the CDBG file and working with it/saving it over time? Do you recommend entering the information only when the full proposal is ready? We downloaded the online form as a Word document and started to populate the sections, but we are unable to save information in the original document -sections save in separate files.** Applicants should first save a local copy of the documents on their hard drive before entering responses. That way, they can enter their responses, save them, and continue working later. If an applicant opens the zip file online and immediately starts entering responses into the documents without first saving a local copy, in order to save the entered responses, a local copy of the documents can be saved using the



“Save As” option. Otherwise, the responses will not be saved (i.e., documents cannot be saved on the City’s server).

**Q29: Do you have any resources that list eligible and ineligible expenses for CDBG funds?** The [FY 2013 Operating Manual](#) (page 25) identifies eligible and ineligible expenses. You may also want to refer to the [key resources](#) posted on the City of San Diego’s CDBG Program website which has numerous other useful resources, including those which govern expenditures.

**Q30: Is there a document I can reference that lists eligible and ineligible expenses under CDBG?** The [FY 2013 Operating Manual](#), which is posted on the City’s CDBG Program website, has a list of eligible and ineligible expenses under CDBG that you can reference. See page 25.

**Q31: Regarding the “Designated Authorized Signatures” page, please define “Board Officer”. Can any member of our Board fulfill that role?** Only the President, Vice President, or Treasurer of the Board can fulfill that role. Members who are not officers cannot.

**Q32: Our agency wants to apply for funding for a CIP project to renovate an existing structure. We are currently in escrow and will have site control prior to the end of 2012 but not until after the due date for the CDBG application. Can we still apply?** Yes, you can still apply. In your application, explain how you will gain site control after the application due date but it will not hinder your project from being “shovel ready” by July 1, 2013. Staff will follow up with your agency on evidence of site control and the required certifications regarding real property during the secondary review period and certainly before contracts are executed (should your project be allocated funds).